## SAN DIEGO COUNTY ECONOMIC FORECAST

San Diego County, the southern-most county in California, has a population of nearly 3.2 million people. There are 1.27 million wage and salary jobs located in the county, down from nearly 1.32 million in 2007. The per capita income in San Diego County is \$41,891, which is higher than the California state average.

Economic growth in Southern California declined sharply in 2008 and 2009 and job losses were the largest on record. During 2009, over 43,000 total jobs were lost in San Diego County, representing a growth rate of -3.3 percent. The unemployment rate increased to 10.6 percent.

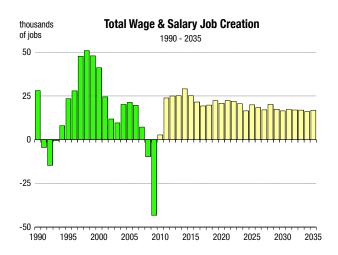
The principal employment clusters in San Diego County are defense contractors, computer and electronics manufacturing, healthcare services, and tourism. The U.S. Navy is the largest employer. Like most areas of the state, economic activity related to real estate has contracted sharply since 2007. Employment in construction fell by nearly 11,000 workers for the second straight year, a decline of 14 percent. 2009 Housing production fell to its lowest level on record following six straight years of declining production.

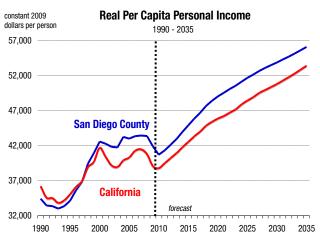
With the exception of education and healthcare and government employment, all sectors recorded job contraction in 2009. Employment in construction, manufacturing, wholesale and retail trade each declined by at least 5 percent.

Population growth in the county was just under one percent in 2009 as net migration dropped substantially from 2008 levels. Population growth will dip further in 2010 due to low levels of migration. The fastest growing cities include San Diego and Santee, with population growth rates exceeding 1.5 percent between January 2008 and January 2009. San Diego is the largest city in the county, with over 1.3 million residents.

### FORECAST HIGHLIGHTS

- Job growth averages 0.2 percent in 2010. From 2010 to 2015, the average annual growth rate is 1.9 percent per year.
- Average salaries adjusted for inflation are currently well above the California state average, and will remain so over the foreseeable future. Real average salaries rise an average of 0.9 percent per year from 2010 to 2015.
- 2010 to 2015 is a period of robust job creation in San Diego County. Professional and business services, information technologies, other services, wholesale trade, transportation and utilities, and construction are all expected to grow by more than 10 percent. Construction employment rebounds quickly, growing by 34 percent from 2010 to 2015, and eclipsing the previous peak in employment by 2013.

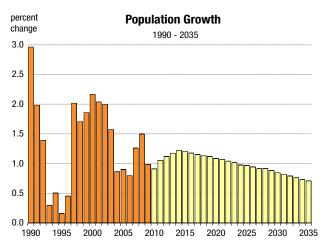


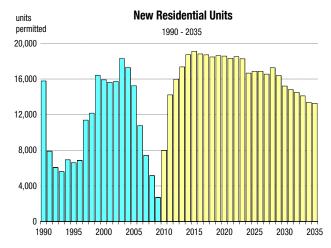


- Population growth accelerates to levels slightly higher than those prevailing at the end of the decade. Annual growth in the 2010 to 2015 period averages 1.2 percent per year.
- In-migrating population will increase beginning in 2011, as job creation accelerates. From 2010 to 2015, total net migration is positive, averaging just over 10,700 people per year.
- Building activity quickly returns, by 2014 more new homes are being constructed than at any point since the late 1980s.
- Real per capita incomes decline at a rate of 2.9 percent in 2010.
  An annual compound rate of growth of 2.0 percent is forecast from 2010 to 2015.
- Total taxable sales are expected to increase by an average of 4.5 percent per year from 2010 to 2015.
- Industrial production is expected to increase 1.9 percent in 2010. From 2010 to 2015, the growth rate of industrial production is expected to average 3.1 percent per year.

# San Diego County Economic Forecast 2002-2009 History, 2010-2035 Forecast

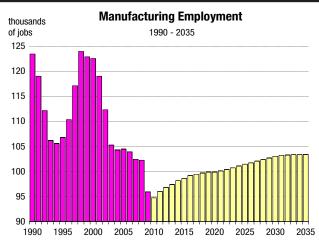
	Population (people)	Net Migration (people)	Registered Vehicles (millions)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (billions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2002	2,952,127	33,549	2.44	1,016	15,738	\$38.6	\$100.7	\$41,828	2.8	1.59	15.5	5.1
2003	2,998,592	20,911	2.45	1,029	18,314	\$40.9	\$104.6	\$41,724	2.6	1.62	15.1	5.2
2004	3,024,492	1,161	2.60	1,043	17,306	\$44.5	\$113.0	\$43,234	3.3	1.69	15.6	4.8
2005	3,051,764	292	2.60	1,056	15,258	\$46.7	\$118.5	\$42,995	4.5	1.70	16.4	4.3
2006	3,076,068	-2,046	2.64	1,070	10,777	\$47.8	\$125.5	\$43,332	4.3	1.55	17.2	4.0
2007	3,114,843	11,509	2.64	1,079	7,445	\$47.5	\$131.5	\$43,426	3.3	1.58	17.0	4.6
2008	3,161,477	19,085	2.64	1,089	5,154	\$46.4	\$138.0	\$43,358	3.5	1.54	17.2	6.0
2009	3,192,662	3,330	2.61	1,099	2,707	\$44.9	\$133.7	\$41,891	-0.8	1.56	16.9	10.6
2010	3,221,738	1,838	2.60	1,102	5,455	\$44.6	\$133.4	\$40,696	1.8	1.57	17.3	10.5
2011	3,255,761	7,556	2.60	1,109	14,238	\$47.3	\$140.3	\$41,307	2.4	1.59	17.7	9.1
2012	3,292,230	10,623	2.62	1,123	15,996	\$50.6	\$147.6	\$42,096	2.2	1.60	18.4	8.3
2013	3,330,923	13,017	2.65	1,138	17,373	\$54.4	\$155.8	\$42,941	2.4	1.62	19.0	7.5
2014	3,371,711	15,557	2.69	1,155	18,738	\$58.5	\$164.9	\$43,945	2.3	1.63	19.5	6.7
2015	3,412,413	15,874	2.73	1,173	19,135	\$62.2	\$174.4	\$44,898	2.4	1.64	20.1	6.2
2016	3,452,586	15,231	2.77	1,191	18,825	\$65.4	\$184.0	\$45,831	2.3	1.65	20.6	6.0
2017	3,492,393	14,448	2.81	1,209	18,722	\$68.7	\$193.7	\$46,663	2.3	1.66	21.1	5.9
2018	3,531,894	13,975	2.85	1,227	18,489	\$72.3	\$204.6	\$47,655	2.3	1.67	21.7	5.8
2019	3,571,457	13,772	2.89	1,245	18,635	\$76.0	\$214.6	\$48,390	2.3	1.68	22.3	5.6
2020	3,610,274	12,968	2.92	1,263	18,584	\$79.8	\$224.5	\$49,028	2.2	1.68	22.9	5.6
2021	3,648,943	13,153	2.96	1,281	18,328	\$83.7	\$235.1	\$49,536	2.7	1.69	23.6	5.6
2022	3,686,946	12,709	3.00	1,298	18,522	\$87.6	\$246.5	\$50,067	2.8	1.70	24.3	5.5
2023	3,724,422	12,499	3.04	1,316	18,282	\$91.5	\$257.9	\$50,539	2.7	1.70	25.0	5.4
2024	3,760,795	11,600	3.07	1,333	16,677	\$95.6	\$269.8	\$51,105	2.5	1.71	25.7	5.3
2025	3,797,236	11,890	3.11	1,349	16,885	\$99.7	\$282.3	\$51,678	2.6	1.71	26.5	5.3
2026	3,833,064	11,487	3.14	1,366	16,868	\$103.9	\$294.9	\$52,140	2.7	1.72	27.3	5.3
2027	3,868,167	11,010	3.17	1,382	16,571	\$108.5	\$308.3	\$52,655	2.7	1.72	28.2	5.3
2028	3,903,744	11,419	3.21	1,398	17,273	\$113.2	\$322.6	\$53,094	2.9	1.73	29.1	5.2
2029	3,938,201	10,473	3.24	1,414	16,403	\$118.1	\$337.0	\$53,483	2.9	1.73	30.0	5.2
2030	3,971,495	9,551	3.27	1,430	15,222	\$123.1	\$351.7	\$53,874	2.8	1.73	31.0	5.1
2031	4,004,078	8,931	3.30	1,444	14,824	\$128.2	\$367.0	\$54,285	2.8	1.73	32.0	5.1
2032	4,035,773	8,261	3.33	1,459	14,493	\$133.6	\$383.0	\$54,707	2.8	1.72	33.1	5.1
2033	4,066,535	7,670	3.37	1,473	14,120	\$139.3	\$399.6	\$55,147	2.8	1.72	34.2	5.2
2034	4,096,257	6,972	3.40	1,486	13,374	\$145.2	\$416.9	\$55,599	2.8	1.72	35.3	5.3
2035	4,125,332	6,577	3.43	1,499	13,284	\$151.5	\$435.1	\$56,080	2.8	1.71	36.5	5.3

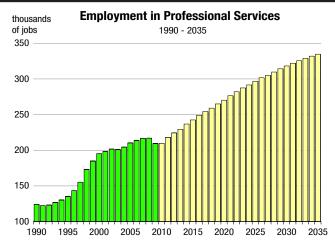


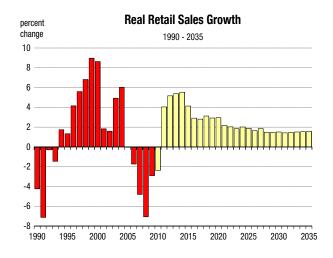


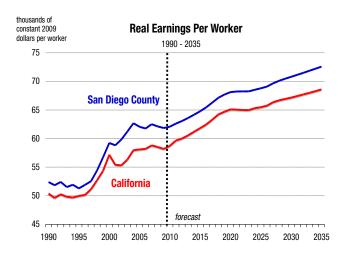
# San Diego County Employment Forecast 2002-2009 History, 2010-2035 Forecast

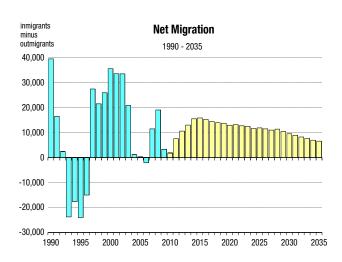
	Total Wage & Salary	Farm	Construction	turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Services	Information	Health & Education	Leisure	Government
	employment (thousands of jobs)											
2002	1,241.7	11.00	76.4	112.3	29.3	179.3	75.0	201.7	37.7	119.7	133.8	219.7
2003	1,251.3	11.16	80.2	105.3	27.3	182.4	79.9	201.2	36.9	121.8	140.7	217.3
2004	1,271.5	11.12	87.7	104.3	28.4	186.9	81.9	204.5	36.6	121.7	145.7	214.3
2005	1,292.8	10.73	90.8	104.5	28.4	191.0	83.2	210.4	37.4	122.5	149.6	215.1
2006	1,312.5	10.92	92.7	103.9	28.7	193.3	83.7	213.6	37.3	125.1	156.5	217.9
2007	1,319.7	10.87	87.0	102.5	28.8	193.5	80.3	216.8	37.6	129.5	161.8	222.4
2008	1,310.0	10.76	76.2	102.3	29.3	186.7	75.8	217.0	38.7	135.5	163.6	225.2
2009	1,266.8	10.86	65.6	95.9	28.3	175.8	73.5	209.5	38.4	136.4	158.2	225.9
2010	1,269.6	10.86	77.3	94.7	28.8	170.4	73.3	209.8	39.1	137.0	154.6	224.8
2011	1,293.5	10.85	86.4	96.0	29.5	168.7	73.9	218.2	40.2	138.4	155.1	226.3
2012	1,318.5	10.84	91.5	96.8	30.2	170.9	75.1	224.5	41.3	140.0	156.7	229.7
2013	1,343.6	10.82	96.3	97.4	30.9	174.7	75.8	229.5	42.4	141.3	159.7	232.9
2014	1,372.8	10.80	101.4	98.2	31.6	179.5	76.5	236.8	43.4	142.8	163.1	235.6
2015	1,397.9	10.78	103.7	98.6	32.3	184.2	77.5	242.6	44.4	144.4	167.0	238.4
2016	1,419.5	10.75	103.1	99.2	33.0	188.4	78.6	249.2	45.3	145.9	170.7	240.4
2017	1,438.9	10.72	103.0	99.5	33.5	192.0	79.8	254.3	46.1	147.4	174.2	242.5
2018	1,458.7	10.69	103.4	99.7	34.1	195.4	80.3	259.1	46.9	149.1	177.3	245.8
2019	1,481.1	10.67	104.6	99.9	34.8	198.9	80.8	265.0	47.6	151.1	180.4	249.4
2020	1,501.9	10.64	105.8	99.9	35.5	202.4	81.4	270.3	48.2	153.0	183.4	252.7
2021	1,524.3	10.61	106.6	100.1	36.2	205.8	82.0	276.6	48.9	155.4	186.4	256.0
2022	1,546.3	10.59	107.7	100.4	36.9	209.0	82.9	282.1	49.6	158.0	189.2	259.0
2023	1,566.9	10.56	107.8	100.7	37.7	212.0	84.1	287.4	50.3	160.4	191.9	262.1
2024	1,583.4	10.54	105.2	101.1	38.4	214.9	85.3	291.7	51.1	162.7	194.4	265.1
2025	1,603.4	10.51	105.5	101.5	39.0	217.8	86.7	296.9	51.9	164.7	196.7	268.1
2026	1,621.8	10.49	105.3	101.7	39.6	220.5	88.0	301.8	52.6	166.6	199.1	270.8
2027	1,638.8	10.47	105.2	102.1	40.1	223.3	89.5	305.1	53.4	168.6	201.4	273.7
2028	1,659.0	10.44	106.8	102.4	40.6	226.0	90.8	309.7	54.1	170.6	203.7	276.6
2029	1,676.4	10.42	106.0	102.7	41.2	228.5	92.2	314.2	54.9	172.5	206.1	279.5
2030	1,693.0	10.41	104.8	103.0	41.7	231.0	93.6	318.4	55.6	174.3	208.4	282.4
2031	1,710.4	10.39	104.9	103.2	42.3	233.4	94.9	322.1	56.3	176.5	210.8	285.1
2032	1,727.4	10.38	104.9	103.3	42.9	235.8	96.4	325.6	57.0	178.6	213.2	287.9
2033	1,744.4	10.37	105.0	103.4	43.4	238.3	97.8	328.9	57.7	180.7	215.5	290.7
2034	1,760.5	10.36	104.4	103.4	44.0	240.8	99.2	332.0	58.3	182.9	217.9	293.5
2035	1,777.4	10.36	104.7	103.4	44.6	243.5	100.6	334.8	59.0	185.1	220.3	296.3

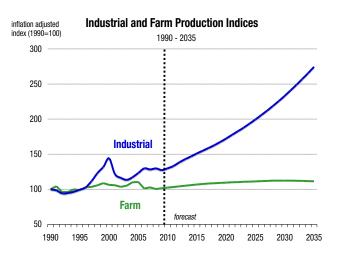












## **County Economic and Demographic Indicators**

### Projected Economic Growth (2010-2015)

Expected retail sales growth:	<u>26.8%</u>
Expected job growth:	10.1%
Fastest growing jobs sector:	Construction
Expected personal income growth:	16.9%

Expected population growth:	5.9%
Net migration to account for:	32.8%
Expected growth in number of vehicles:	5.3%

#### Demographics (2009)

<u>Unemployment rate (December)</u>	10.1%
County Rank* in California (58 counties):	9th
Working age (16-64) population:	66.6%

Population with B.A. Degree or higher:	30.2 %
Median Home Selling Price:	\$364,719
Median Household Income:	\$63,335

#### **Quality of Life**

Violent Crime rate (2008):	<u>411 per 10</u>	<u> 10,000 persons</u>
County Rank* in California (58	8 counties):	29th
Average Commute Time to wor	k (2009):	27.5 minutes

High School drop out rate (2008):	<u>17.1 %</u>
Households at/below poverty line:	8.7 %

<sup>\*</sup> The county ranked 1st corresponds to the lowest rate in California